(c) the percentage of the value of export made by these States out of the total annual export by the Information Technology Industry during the above period?

THE MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) Yes, Sir.

(b) As per the information available with Ministry of Information Technology, the three States with maximum exports of Information Technology Software and Services during each of the years, 1998-99, 1999-2000 and 2000-2001, are Karnataka, Delhi and Maharashtra.

(c) The percentage of the value of export made by the Information Technology Software and Services Industry in these States, out of the total annual export was approximately 63% during 1998-99, 62% during 1999-2000 and 59% during 2000-01.

IT National Advisory Committee

2661. SHRI C. O. POULOSE: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether the IT National Advisory Committee, appointed to review the impact of the slow-down in the US economy and chalk out an action plan to minimise its effects, has given its recommendation; and

(b) if so, what are the details thereof?

THE MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) Yes, Sir. The IT National Advisory Committee, in its 3rd meeting held on 10.5.2001, reviewed the issue of slow down of US economy and its likely impact on the Indian software exports.

(b) The Committee observed that there was no cause for concern and the situation would be reviewed by the end of this year to assess the actual impact.

The Committee also felt that slow down would result in attracting more and more IT Enabled Services to India. Many call centres and medical transcription facilities are likely to be set up in India due to availability of skilled manpower at lower costs.

Production Targets of Computers and Peripherals

2662. SHRI K. RAMA MOHANA RAO: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) the production targets of computers and peripherals set for the years 1999-2000, 2000-2001 and 2001-2002;

(b) whether it is a fact that the targets set for 1999-2000 and 2000-2001 were not met;

(c) if so, the reasons therefor; and

(d) how his Ministry is planning to meet the 2001-2002 targets?

THE MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) The ninth plan production target of computers and peripherals, set for the years 1999-2000, 2000-2001 and 2001-2002 is as under:-

(Rs. crores)

1999-2000	2000-2001	2001-2002
9250	12800	17850

(b) No, Sir. The actual production of computers and peripherals during the years 1999-2000 and 2000-2001 was as under:

1999-2000	2000-2001
2500	3400

(c) Computers and peripherals are freely importable and as per India's commitments in the Information Technology Agreement (ITA-1) of WTO, customs duties on computers and peripherals are being brought down in a phased manner.

(d) The steps taken by Government to promote IT Hardware Industry are given in the Statement.

Statement

Steps taken by the Government to promote Electronics Hardware Sector

1. Export Promotion Capital goods scheme (EPCG) has been rationalised and extended uniformly to all sectors without any threshold limit on payment of 5% duty.
2. Approvals for all foreign direct investment proposals relating to the Information Technology sector, with the exception of Business-to-consumer (B2C) e-commerce are under the automatic route.
3. Electronics Hardware Technology Park (EHTP) Scheme is implemented under the aegis of the Ministry of Information Technology through a single window mechanism of the Inter-Ministerial Standing Committee (IMSC).
4. DTA access upto 50% of the FOB value of export is permitted for electronics hardware units under EOU/EPZ/EHTP schemes. Broadbanding is permitted in the DTA sales of Hardware units for items covered in the Letter of Permission.
5. Accelerated depreciation norms for computers and computer peripherals for electronic units under Export Oriented schemes (EOU / EPZ / STP / EHTP) have been enhanced. These shall stand depreciated to overall limit of 90% over a peiod of 3 years instead of around 5 years earlier.
6. Special Economic Zones are being set up to enable hassle free manufacturing and trading for export purposes
7. Value addition norms for Rupee exports to Russia reduced from 100% to 33% under Advance Licensing Scheme.

8. The Depreciation on Computers has been allowed @ 60%.
9. In the Budget 2001-02, the park rate of customs duty continues @ 35%. Customs duty surcharge @ 10% has been abolished on all imports, in general but Special Additional Duty (SAD) @ 4% continues on all imports, except specific exemptions. In the 2000-01 Budget, Customs duty on Computers and Peripherals had been reduced from 20% to 15% and continues to be same. The Customs duty on all storage devices, integrated circuits, microprocessors, data display tubes and deflection components of colour monitors also continues at 0%. In the 2001-02 Budget, Customs duty on Information Technology Agreement (ITA-1) items of WTO (IT and Telecom products) has been reduced from existing 20-25% to 15%. The concessional rate of customs duty for specified raw materials for the electronics industry continues. Customs duty on parts of Telecom reduced to 5%. 32 items (additional) of Capital Goods allowed at a concesional duty of 5% for the manufacture of semiconductors.
10. In the Budget 2001-02, the Central Excise duty structure has been rationalised from multiple rates to single rate of 16% and single rate of Special Excise Duty (SED) @ 16%.
11. Second hand capital goods upto 10 years old have been made freely importable.
12. Information Technology Software is exempted from Customs and Excise Duty.
13. EOU / EPZ / EHTP units are exempted from payment of IncomeTax on export profits, upto 2010, in terms of Section 10A and 10B of the Income Tax Act.
14. Exemption of withholding tax on interest on External Commercial Borrowings (ECBs) has been extended to the IT sector.
15. Tax holiday under provisions of Section 80-IA (Infrastructure Status) has been extended to Internet Service Providers (ISPs) and Broadband Network providers.
16. To induce more investment for R&D activities, a weighted deduction of 125% on the sums paid to any university, college or an institution or a Scientific research association for the purposes of scientific, social or statistical research has been provided.
17. Information Technology Act 2000 has been enacted. This act deals with Cyber Security, Cyber Crime and other information security related legal aspects. This will encourage expansion of e-commerce through internet.

Internet access to North Eastern States

2663. DR. ARUN KUMAR SARMA: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) the action plan to provide Internet access to the entire North Eastern Region;

(b) the details of the ongoing infrastructure projects in the NER, indicating the amount sanctioned, amount utilized, timeframe for completion and the target achieved so far in respect of each of the project; and